

Message Text

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INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

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R 211415Z JUN 74

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 9106

INFO AMEMBASSY BELGRADE

USMISSION BERLIN

AMEMBASSY BUDAPEST

AMEMBASSY MOSCOW

AMCONSUL MUNICH

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

C O N F I D E N T I A L SECTION 1 OF 2 BUCHAREST 2660

C O R R E C T E D C O P Y (FOR SECTION INFORMATION)

E.O. 11652: GDS

TAGS: PFOR EGEN RO

SUBJECT: ROMANIAN QUARTERLY TRENDS REPORT (APRIL-JUNE 1974)

REF: BUCHAREST 1293

1. SUMMARY: THE SECOND QUARTER OF 1974 HAS NOT BEEN MARKED BY IMPORTANT NEW POLICY INITIATIVES BUT RATHER HAS BEEN A PERIOD OF ADJUSTMENT FOLLOWING THE CHANGES INTRODUCED AT THE MARCH PLENUM. INTERNAL POLITICAL ACTIVITIES HAVE CONTINUED TO POINT TOWARDS THE ELEVENTH PARTY CONGRESS IN THE FALL AND HAVE INCLUDED ADDITIONAL MOVES DESIGNED TO
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BRING PARTY AND STATE APPARATUSES INTO CLOSER ALIGNMENT

WITH CEAUSESCU'S DESIRES. IN THE ECONOMIC FIELD CEAUSESCU'S DISCUSSION OF THE OUTLINES OF THE NEXT FIVE YEAR PLAN (1976-80), WITH ITS CONTINUED HIGH RATE OF INVESTMENT, GAVE CONSUMERS LITTLE TO CHEER ABOUT, WHILE LEADERSHIP CRITICISM OF FOREIGN TRADE SECTOR, AGRICULTURAL SHORT-COMINGS AND CERTAIN INDUSTRIES SERVED AS REMINDER THAT MUCH REMAINS TO BE DONE IN FULFILLING CURRENT PLAN. IN FOREIGN AFFAIRS THE GOR HAS MAINTAINED ITS PURSUIT OF FAMILIAR GOALS DESPITE SOME SIGNS OF STRAIN IN ITS RELATIONSHIPS WITH ITS SOCIALIST BROTHERS OVER ISSUES CONNECTED WITH THE WARSAW PACT, CEMA, AND POSSIBLE EUROPEAN AND WORLD COMMUNIST CONFERENCES. DESPITE THE CONTINUED PRESENCE OF SOME TROUBLESOME PROBLEMS IN BOTH THE INTERNAL AND FOREIGN AFFAIRS AREAS, FOR THE NEAR TERM AT LEAST WE FORESEE NO BASIC SHIFTS IN ROMANIAN POLICY BUT RATHER CONTINUATION OF THE BROAD EXISTING TRENDS. END SUMMARY

2. LEADERSHIP; NO MAJOR STEPS HAVE BEEN TAKEN SINCE THE MARCH PLENUM (REFTEL) IN CEAUSESCU'S CONTINUING PROGRAM OF STRUCTURAL AND PERSONNEL CHANGES IN ROMANIAN LEADERSHIP, BUT EROSION OF POSITIONS OF INDEPENDENT-MINDED FORMER PRESIDIIUM MEMBERS NICULESCU-MIZIL AND GHEORGHE RADULESCU PROGRESSED, WHILE TROFIN'S FALL BECAME MORE PRONOUNCED. FORMAL CONFIRMATION OF THE NEW TEAM OF 40-ISH PARTY ACTIVISTS AND SOME OLDER LIEUTENANTS CLOSE TO CEAU SSCU MAY AWAIT ONLY ANOTHER PARTY PLENUM (THE NEXT ONE IS SCHEDULED FOR EARLY JULY) WHERE SUCH POLITICAL HASBEENS AS MAURER, GHEORGHE STOICA, DANALACHE AND BERGHIANU COULD WELL BE DROPPED FROM THE EXECUTIVE COMMITTEE AND PERHAPS SUCH APPARENT COMERS AS STEFAN ANDREI, BURTICA, DEPUTY PRIME MINISTER OPREA AND DEFMIN IONITA ADDED AS FULL MEMBERS. CEAUSESCU HIMSELF REMAINED VERY MUCH IN THE PUBLIC EYE THROUGHOUT THE PERIOD AND HIS ENHANCED STATURE FOLLOWING THE MARCH PLENUM WAS SYMBOLIZED PERHAPS BY THE PHYSICAL RELOCATION OF THE COUNCIL OF MINISTERS IN THE CENTRAL COMMITTEE BUILDING WHERE HE MAINTAINS HIS OWN OFFICE.

3. INTERNAL SCENE: THE CURRENT QUARTER HAS BEEN CHARACTERIZED BY CONSIDERABLE CHURNING AND BUREAUCRATIC UNCERTAINTY
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ON THE INTERNAL SCENE. THERE HAVE BEEN LARGE-SCALE BUT NOT-YET COMPLETED REORGANIZATIONS IN RADIO AND TV, THE PRESS, RESEARCH AND EDUCATION, WITH MORE CHANGES RUMORED TO COME (THE FOREIGN TRADE ESTABLISHMENT, FOR EXAMPLE, APPEARS SLATED FOR AN EARLY OVERHAUL). THE PURPOSE OF THESE CHANGES APPEARED MORE CLOSELY TIED TO TIGHTENING AND CENTRALIZING THE POWER OF CEAUSESCU'S LIEUTENANTS AND STREAMLINING THE BUREAUCRACY THEN TO AN "IDEOLOGICAL"

SQUEEZE. IT SEEMS LIKELY THAT SUCH SHIFTS, ADJUSTMENTS AND REORGANIZATIONS WILL CONTINUE AS THE PARTY CONGRESS APPROACHES AND THE LEADERSHIP ATTEMPTS TO SOLIDIFY THE CHANGES WHICH HAVE ALREADY TAKEN PLACE IN THE GOVERNMENTAL STRUCTURE IN PARTICULAR.

4. ECONOMICS: THE STATISTICAL PREVIEW OF THE 1976-1980 FIVE YEAR PLAN GIVEN BY CEAUSESCU IN MAY AT THE SOCIALIST UNITY FRONT CONGRESS WAS NOT ABLE IN THAT THE SAME HIGH RATE OF INVESTMENT AS BEFORE IS DUE TO BE MAINTAINED, WHILE THE PROJECTED GROWTH RATE IS SCHEDULED TO DROP ONLY SLIGHTLY. THE NEW PLAN APPARENTLY WILL OFFER LITTLE SOLACE TO THE CONSUMER IN THE CONTINUING DRIVE FOR RAPID INDUSTRIALIZATION. WHILE THE OVERALL ECONOMY CONTINUES TO PERFORM WELL ON PAPER (DESPITE A SHORTAGE OF THAT MATERIAL), PROBLEMS IN FOREIGN TRADE AND IN CERTAIN INDUSTRIES IN JUDET DOLJ, AGRICULTURAL SHORTCOMINGS, A SERIES OF SERIOUS INDUSTRIAL ACCIDENTS, AND RUMORS OF WORKER DISSATISFACTION ALL CAME TO LIGHT DURING THE REPORTING PERIOD AND GAVE THE LEADERSHIP CAUSE FOR CONCERN. WHILE WE HAVE SEEN NO REAL EVIDENCE TO SUPPORT WIDESPREAD RUMORS THAT SABOTAGE, PERHAPS SOVIET INSPIRED, IS BEHIND THE RECENT SPATE OF INDUSTRIAL ACCIDENTS, AND, ON THE CONTRARY, BELIEVE THEY ARE THE RESULT OF POOR SAFETY PRACTICES, LOW WORKER MORALE AND NEGLIGENCE, THE FACT THAT SUCH RUMORS HAVE GAINED CREDENCE MAY BE TAKEN AS EVIDENCE OF UNEASINESS ABOUT THE OVERALL ECONOMIC PICTURE.

5. ON THE BILATERAL SIDE, US-ROMANIAN ECONOMIC RELATIONS WERE GIVEN AT LEAST A SYMBOLIC BOOST BY THE FIRST SESSION OF THE US-ROMANIAN JOINT ECONOMIC COMMISSION CHAIRED BY SECRETARY OF COMMERCE DENT AND FOREIGN TRADE MINISTER PATAN, THE OPENING OF THE MANUFACTURERS HANOVER TRUST BRANCH IN

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BUCHAREST, THE FIRST MEETING HERE OF THE JOINT US-ROMANIAN ECONOMIC COUNCIL (SPONSORED BY THE TWO CHAMBERS OF COMMERCE) AND THE VISIT OF TRANSPORTATION SECRETARY BRINEGAR. WHILE IT IS NOT YET POSSIBLE TO POINT TO MAJOR CONCRETE RESULTS FLOWING FROM THESE EVENTS, CLEARLY ALL HAVE CONTRIBUTED TO A GREATER AWARENESS OF ROMANIA ON THE PART OF US BUSINESSMEN AS A POTENTIAL PARTNER AND MARKET AND HOPEFULLY TO A COMPARABLE ROMANIAN AWARENESS OF WHAT IS NEEDED TO ATTRACT AMERICAN BUSINESS INVOLVEMENT.

6. FOREIGN RELATIONS: IN ITS RELATIONS WITH THE OTHER SOCIALIST STATES ROMANIA HAS CONTINUED TO SWIM AGAINST THE CURRENT. ALTHOUGH HARD INFORMATION IS NOT AVAILABLE IN EVERY CASE, IT SEEMS CLEAR THAT ROMANIA RESISTED CERTAIN MOVES BY THE OTHER WARSAW PACT MEMBERS POSSIBLY INVOLVING

GREATER COMMAND INTEGRATION. A RASH OF ARTICLES AGAINST
CEMA INTEGRATION AS DEFINED BY THE SOVIETS AND FOR MORE
"COMRADELY ASSISTANCE" TO DEVELOPING CEMA COUNTRIES (E.G.,
ROMANIA) INDICATED CONTINUING CONCERNS IN THAT DIRECTION.

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

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R 211415Z JUN 74
FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC 9107
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USMISSION BERLIN
AMEMBASSY BUDAPEST
AMEMBASSY MOSCOW
AMCONSUL MUNICH
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW

C O N F I D E N T I A L BUCHAREST SECTION 2 OF 2 BUCHAREST 2660

E.O. 11652: GDS
TAGS: PFOR EGEN RO
SUBJECT: ROMANIAN QUARTERLY TRENDS REPORT (APRIL-JUNE 1974)

ON THE QUESTION OF POSSIBLE EUROPEAN AND WORLD COMMUNIST
CONFERENCES THE ROMANIANS CONTINUED TO OPPOSE THE PRO-
POSED MEETINGS BY NOT DISAGREEING IN PRINCIPLE BUT NY
HIDING BEHIND THE OPPOSITION OF SOME OTHER PARTIES (MOSTLY
ASIAN) AND STATING UNACCEQKABLE PRECONDITIONS.

7. IN ITS DEALINGS WITH OTHER STATES ROMANIA HAS CONTINUED ITS FAMILIAR ACTIVIST POLICY, IN BOTH BILATERAL AND MULTILATERAL RELATIONS. CEAUSESCU HIMSELF HAS NOT LEFT THE EE AREA DURING THE PERIOD BUT LESSER ROMANIAN FIGURES HAVE
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BEEN BUSY WITH FOREIGN TRAVEL AND NUMEROUS FOREIGN LEADERS HAVE COME TO BUCHAREST. AS OF JUNE 20, THE COLUMBIAN PRESIDENT ELECT AND MAURITANIAN PRESIDENT WERE VISITING ROMANIA WITH, INTER ALIA, SADAT, TITO AND TURKISH FONMIN RUMORED OR EXPECTED TO ARRIVE SOON. AS BEFORE, THE ROMANIAN GOAL WITH THESE VISITS IS TO STRENGTHEN BILATERAL RELATIONS WITH AS MANY STATES AS POSSIBLE (RECENT REACTIVATION OF DIPLOMATIC RELATIONS WITH PORTUGAL, THE FIRST COMMUNIST STATE TO DO SO, IS ANOTHER EXAMPLE) TO FURTHER STRENGTHEN THEIR INDEPENDENCE. IN THE MULTILATERAL AREA CONTINUED ACTIVE INTEREST IN ME PROBLEMS, STRONG SUPPORT FOR THE APRIL SPECIAL UN SESSION, COURTSHIP OF THIRD WORLD, AND CSCE-MBFR ACTIVITIES SHOW NO SLACKENING OF ROMANIAN DESIRE TO MAKE THEIR WEIGHT FELT TO THE EXTENT POSSIBLE IN A BROADER WORLD ARENA AS WELL.
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